

In the claims:

For the convenience of the Examiner, all claims being examined, whether or not amended, are presented below.

Please cancel, without prejudice, claims 9-15.

1. **(Currently amended)** A method of making a cartilaginous prosthesis, comprising seeding a polymeric matrix construct with chondrocytes and contacting the seeded construct with a hydrophobically modified hedgehog polypeptide which binds to patched and activates hedgehog signaling, which hedgehog polypeptide comprises a sequence of a naturally-occurring hedgehog polypeptide or N-terminal autoproteolytic fragment thereof, means for binding patched and thereby activating hedgehog signaling, wherein the seeded construct is contacted with at least 500 ng/ml of said ~~hydrophobically~~ modified hedgehog polypeptide, and wherein said hydrophobically modified hedgehog polypeptide is modified with one or more palmitoyl moieties means.
2. **(Original)** The method of claim 1, wherein the chondrocytes are articular chondrocytes.
3. **(Currently amended)** The method of claim 1 2, wherein the hydrophobically modified ~~means for binding patched and thereby activating hedgehog signaling comprises a naturally-occurring hedgehog polypeptide~~ is modified with two palmitoyl moieties.
4. **(Currently amended)** The method of claim 1, wherein the hydrophobically modified ~~means~~ hedgehog polypeptide comprises a dipalmitoyl hedgehog polypeptide.
5. **(Currently amended)** The method of claim 1 or 4, wherein the hydrophobically modified hedgehog polypeptide means is dipalmitoyl ~~di-palmitoyl~~ sonic hedgehog or dipalmitoyl indian hedgehog.
6. **(Currently amended)** The method of claim 1 or 4, wherein the seeded construct is contacted with the dipalmitoyl hedgehog polypeptide at a concentration of at least 500 ng/ml.

7. **(Currently amended)** The method of claim 6, wherein the seeded construct is contacted with the dipalmitoyl ~~sonic~~ hedgehog polypeptide at a concentration of between 500 and 1000 ng/ml, and wherein the hedgehog polypeptide is a sonic hedgehog polypeptide.

8. **(Previously presented)** The method of claim 1 or 4, wherein the polymeric matrix is selected from any of polyglycolid acid, collagen, dextran sulfate, polyanhydride, polyorthoester, hyaluronic acid-based polymers, and a glycosaminoglycan.

9-15. **(Cancelled)**